

Chapter Overview

Introduction The objective of this chapter is to provide a concise, user friendly job aid or starting, stopping, or changing an allotment or bond, claiming non-receipt of an allotment or bond, and changing a member's tax status. This chapter provides checklists, guides, and information required to complete these tasks.

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Section Overview

Introduction This section provides you with the procedures needed to start, stop or change an allotment or bond and for submitting a claim for non-receipt of an allotment or bond.

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Allotments and Bonds

Introduction The allotment system is a convenience provided to active duty members (or reservists on active duty for 140 days or more) for deductions from their monthly pay. These deductions can be used for savings, loans, insurance, U.S. Savings Bonds, charities, support of dependents, education, CG associated dues, and any other legal purpose. There are times when you need to stop, start, or change an allotment or a bond and this job aid explains the process.

Reference COMDTINST M7220.29 (series), CG Pay Manual, Section 7-B, Allotment From Pay

Procedures To change or stop an allotment or a bond:

- Direct member to use Self Service menu of CGHRMS to start, stop, or change the following types of allotments and bonds:
 - 1) CG Association Dues
 - 2) Contributions to CG Mutual Assistance
 - 3) Insurance Premiums, including Navy Mutual Aid Insurance
 - 4) Loan repayment to financial institution (other than, CG Mutual Assistance, American Red Cross, Armed Forces Relief, and government debts)
 - 5) Personal savings/checking accounts
 - 6) Series EE, U.S. Saving Bonds
 - 7) Series I, U.S. Saving Bonds
 - 8) Support of Dependents

Have the member read the section on allotments and bonds at <http://www.uscg.mil/hq/hrsic/cghrms/index.htm> for instructions on how to start, stop or change allotments bonds in the CGHRMS system.

For all other types of allotments/bonds and for members without access to CGHRMS:

- Submit an Allotment Worksheet (CG HRSIC-2040, from Enclosure (1) to this manual, or a Bond Worksheet (CG HRSIC-2060, from Enclosure (1) to this manual), or if starting a CFC allotment, submit the CFC pledge card (provided with CFC fund raising materials) to the PERSRU,
- Or, make a pen and ink changes to the LES. (See next page).

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Section A
ALLOTMENTS AND BONDS

Allotments and Bonds, continued

**Pen and ink
change to the
LES**

Make the following pen and ink changes to the LES when stopping or changing an allotment or bond.

Step	Action
1	Line out the allotment information affected.
2	Enter the new allotment information in the same block.
3	Sign and date beside the new information.
4	Make a copy for your files.

Disposition

Forward to the PERSRU.

Section A
ALLOTMENTS AND BONDS

Allotment Check-off List

Introduction This checklist provides a job aid to be used when a unit/PERSRU is completing necessary tasks for starting, changing, or stopping allotments. It is designed to be reproduced locally.

Checklist Standard procedures for allotments.

Step	Item	Applies To	Check Off
1	Allotment must be for an authorized purpose. Refer to Section 7-A, CG PAYMAN or the reverse side of the Allotment Worksheet (CG-HRSIC-2040) for allotment rules.	Starts	
2	A member is permitted to have only one current allotment of the following types: <ul style="list-style-type: none">• Combined Federal Campaign Fund• One education allotment (either Veteran's Education Assistance or Montgomery GI Bill• MGIB Additional Amount• Loan Repay-CG Mutual Assistance• Navy Mutual Aid Insurance	Starts	
3	A member may have multiple allotments to the same payee provided each allotment has a unique account number.	Starts	
4	Member must have enough projected pay to cover new allotment amount.	Starts Changes	
5	Allotment starts and changes must process in PMIS/JUMPS prior to mid-month compute; e.g., an allotment start effective 1 June must process in PMIS/JUMPS prior to mid-month June compute cycle cutoff.	Starts Changes	
6	Allotment stops must process in PMIS/JUMPS prior to end-month compute of the following month; e.g., an allotment stop effective 30 June must process in PMIS/JUMPS prior to the July end-month compute cycle.	Stops	
7	Allotments may not be submitted to PMIS/JUMPS more than two months in advance of desired action.	Starts Changes Stops	

Nonreceipt of an Allotment or Bond

Introduction This job aid explains the process for reporting nonreceipt of an allotment, or the loss, theft, or destruction of a savings bond.

Reference COMDTINST M7220.29 (series), CG Pay Manual, Section 7-B, Purchase of U.S. Savings Bonds

Procedures Follow these procedures for claiming nonreceipt of an allotment or savings bond.

When allotment type is	Then the....	Does this....
Savings Allotment (EFT)	Member or Admin unit	<ul style="list-style-type: none">• Verifies with financial institution that allotment payment has not been received• Sends an E-Mail message to HRSIC-MAS with the following information:<ul style="list-style-type: none">• member's EMPLID• member's name (last, first, mi)• member's rank• member's unit• member's phone number• date of missing allotment payment• name of financial institution• allotment amount• allotment account number
	HRSIC (MAS)	Locates original payment or makes special EFT payment, normally within 3 business days

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Section A
ALLOTMENTS AND BONDS

Nonreceipt of an Allotment or Bond, Continued

Procedures (continued)

When allotment type is	Then the....	Does this....		
Savings Bond	Member	For non-receipt of savings bonds, members must wait 30 days from expected delivery date then: <ul style="list-style-type: none">• Sends an E-mail message to HRSIC (DC) using the E-mail address --“HRSICBONDS” with the following information:<ul style="list-style-type: none">• member’s EMPLID• member’s name (last, first, mi)• member’s rank• member’s unit• approximate issue date of bond• face value of bond• name and SSN of bond owner (if the member is not the owner)• mailing address of lost bond• correct mailing address		
		If	Then	And
		the member does not have access to E-mail	Complete a Nonreceipt Worksheet, CG HRSIC-2050 (from Enclosure (1) of this manual)	Mail to HRSIC (DC)
		for lost, stolen, or mutilated savings bonds: <ul style="list-style-type: none">• Obtains Bureau of the Public Debt (BPD) Form PD-3062 from any banking institution, or HRSIC (DC)• Forwards completed PD-3062 to BPD (instructions and address are on the form)		
	HRSIC (DC)	<ul style="list-style-type: none">• Verifies bond information and provides Bond serial number• Forwards appropriate BPD form to member		
	Member	Completes form and forwards directly to BPD		

Section Overview

Introduction This section provides information needed to change federal tax withholding, apply for advance of federal earned income credit, change state tax withholding, or state of legal residence, and report entitlement to Combat Tax Exclusion. This section will also assist you in requesting a duplicate or corrected W-2 form.

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Federal Income Tax Withholding and Advance EIC

Introduction Every member is required to file an IRS Form W-4 when a pay account is initially opened. Once the tax withholding is started there are times when it needs to be changed. This provides a job aid in assisting a member who is changing their tax withholding.

Reference COMDTINST M7220.29 (series), CG Pay Manual:
Section 8-A, Withholding of Federal Income Tax
Section 8-E, Advance Payment of EIC

**Federal
Income Tax
Withholding** To change federal income tax withholding, the member must:

Step	Action
1	Complete IRS Form W-4
2	If you have access to CGHRMS, complete change in Self-Service “W-4 Tax Information” application; otherwise, forward IRS Form W-4 to PERSRU for completion in “Employee Tax Data” CGHRMS application.

**Advance of
Federal Earned
Income Credit
(EIC)** To begin receiving or change status for advance EIC, the member must complete an IRS Form W-5 and forward it to the PERSRU for completion in “Employee Tax Data” CGHRMS application.

State Income Tax Withholding and State of Legal Residence

Introduction Every member, who is a resident of a state authorized to have state income tax withheld from military pay, is required to file the appropriate state tax-withholding document when a pay account is initially opened. Once the tax withholding is started there are times when it may need to be changed. This provides a job aid in assisting a member who is changing their tax withholding.

Reference COMDTINST M7220.29 (series), CG Pay Manual, Section 8-B, Withholding of State and Local Tax

**State
Income Tax
Withholding** To change state income tax withholding, the member must:

Step	Action
1	Complete the appropriate State tax form (see State Tax Listing beginning on page 8-B-4)
2	If only changing marital status, number of exemptions, or additional amount to be withheld, and have access to CGHRMS application, complete change in the Self Service “State Tax Data” application; otherwise, forward to PERSRU for completion in “Employee Tax Data” CGHRMS application.

**Changing State
of Legal
Residence** To change a member’s state of legal residency, submit a DD Form 2058 (CG) to the PERSRU for completion in “Employee Tax Data” CGHRMS application. Give the pink copy to the member. Discard the green copy.

State Tax Listing

Introduction

The two charts below provide valuable information to the member on each state concerning withholding requirements, tax forms addresses, phone numbers and internet addresses. The first chart separately lists those states which offer internet addresses and tax forms available on-line for downloading.

State	Internet Address
Alabama	http://www.ador.state.al.us
Alaska	http://www.revenue.state.ak.us
Arizona	http://www.revenue.state.az.us
Arkansas	http://www.state.ar.us/dfa/taxes
California	http://www.ftb.ca.gov
Colorado	http://www.revenue.state.co.us
Connecticut	http://www.drs.state.ct.us/
Delaware	http://www.state.de.us/revenue
D.C.	http://cfo.washingtondc.gov/services/tax/index.htm
Florida	http://www.state.fl.us/dor/
Georgia	http://www..state.ga.us/Departments/DOR/
Hawaii	http://www.state.hi.us/tax/
Idaho	http://www.state.id.us/tax
Illinois	http://www.revenue.state.il.us
Indiana	http://www.state.in.us/dor/
Iowa	http://www.state.ia.us/tax
Kansas	http://www.ink.org/public/kdor/
Kentucky	http://www.state.ky.us/agencies/revenue/assistance.htm
Louisiana	http://www.rev.state.la.us/
Maine	http://www.janus.state.me.us/revenue/
Maryland	http://www.comp.state.md.us/
Massachusetts	http://www.state.ma.us/dor
Michigan	http://www.treas.state.mi.us
Minnesota	http://www.taxes.state.mn.us
Mississippi	http://www.mstc.state.ms.us/

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TAXES

State Tax Listing, Continued

Missouri	http://www.dor.state.mo.us/
Montana	http://www.state.mt.us/revenue/
Nebraska	http://www.nol.org/revenue
Nevada	http://www.tax.state.nv.us
New Hampshire	http://www.state.nh.us/revenue/
New Jersey	http://www.state.nj.us/treasury/taxation/
New Mexico	http://www.state.nm.us/tax/
New York	http://www.tax.state.ny.us
No. Carolina	http://www.dor.state.nc.us/
No. Dakota	http://www.state.nd.us/taxdpt
Ohio	http://www.state.oh.us/tax/
Oklahoma	http://www.oktax.state.ok.us
Oregon	http://www.dor.state.or.us
Pennsylvania	http://www.revenue.state.pa.us
Rhode Island	http://www.doa.state.ri.us
So. Carolina	http://www.sctax.org
So. Dakota	http://www.state.sd.us/state/executive/revenue/
Tennessee	http://www.state.tn.us/revenue
Texas	http://www.window.state.tx.us/
Utah	http://www.tax.ex.state.ut.us
Vermont	http://www.state.vt.us/tax/
Virginia	http://www.state.va.us/
Washington	http://www.dor.wa.gov
W. Virginia	http://www.state.wv.us/taxdiv
Wisconsin	http://www.dor.state.wi.us/
Wyoming	http://revenue.state.wy.us/

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State Tax Listing, Continued

State and contact phone number	Authorized to Have SITW Withheld From Military Members	Tax Withholding Form State Requires	State Tax Office Address
Alabama (334) 242-1170	Yes	State Form A-4	Alabama Department of Revenue Individual & Corporate Tax Division PO Box 327465 Montgomery, AL 36132-7465
Alaska (907) 465-2300	NO STATE INCOME TAX		
Arizona (602) 255-3381	Yes	State Form A-4 or A-4M	Arizona Department of Revenue Taxpayer Information & Assistance PO Box 29086 Phoenix, AZ 85038-9086
Exemption to state withholding: Legal residents of the state who do not reside in the state may elect not to have state taxes withheld. However, members should be cautioned that this is not an exemption from state taxes, and individuals are required to file returns and remit any taxes owed.			
Arkansas (501) 682-7225	Yes	State Form AR-4EC	Arkansas Department of Finance and Administration Individual Income Tax Section Rm 138, Ledbetter Building Little Rock, AR 72203
California 800-338-0505 (automated) 800-852-5711	Yes	Federal Form W-4 *	California Franchise Tax Board PO Box 942840 Sacramento, CA 94240-0040
Conditions for exemption from state tax: If member is on active service and is stationed outside the state.			
Colorado 303-232-2446	Yes	Federal Form W-4 *	Colorado Department of Revenue 1375 Sherman Street Denver, CO 80261
Connecticut 800-382-9463 (in state) (860)297-5962(out of state)	Yes	State Form CT-W4	Taxpayer Services Division Department of Revenue Services 25 Sigourney Street Hartford, CT 06106-5032
Conditions for exemption from state tax: If the member does not maintain a permanent place of abode in the state, AND maintains a permanent place of abode outside the state, AND spends not more than 30 days in the state during the tax year. Members occupying single-type government quarters are NOT considered to be maintaining a permanent place of abode in the state.			
Delaware (302) 577-8200	Yes	Federal Form W-4 *	Delaware Division of Revenue 820 N. French Street Wilmington, DE 19801
District of Columbia (202) 727-4829	Yes	State Form D-4	DC Government Office of Tax & Revenue 941 Capitol St. NE Washington, DC 20002
Florida (850) 922-4827/4826	NO STATE INCOME TAX		
Georgia (404) 656-4188	Yes	State Form G-4	Georgia Department of Revenue 270 Washington St. SW Atlanta, GA 30334
Hawaii 800 222-3229	Yes	State Form HW-4	Hawaii Department of Taxation PO Box 3559 Honolulu, HI 96811-3559

* These states use Federal W-4 annotated "For SITW Purposes Only".

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Section B TAXES

State Tax Listing, Continued

State and contact phone number	Authorized to Have SITW Withheld From Military Members	Tax Withholding Form State Requires	State Tax Office Address
Idaho (208) 334-7660 800-972-7660	Yes	Federal Form W-4*	Taxpayer Services Idaho State Tax Commission PO Box 36 Boise, ID 83722-0036
Conditions for exemption from state tax: If member is on active service and is stationed outside the state.			
Illinois 800-732-8866	No (exempts all active duty military pay)		Illinois Department of Revenue Taxpayer Correspondence PO Box 19044 Springfield, IL 62794-9044
Indiana (317) 232-2240	Yes	State Form WH-4	Indiana Department of Revenue Taxpayer Services Division Indiana Government Center 100 N. Senate Avenue, No. 105 Indianapolis, IN 96811
Iowa 800-367-3388 (in state) (515) 281-3114 (out of state)	Yes	State Form IA-W4	Finance Taxpayer Services and Iowa Department of Revenue PO Box 10457 Des Moines, IA 50306-0457
Kansas (785) 368-8222	Yes	Federal Form W-4 *	Kansas Department of Revenue Taxpayer Assistance Bureau 915 SW Harrison Street Topeka, KS 66625-0001
Kentucky (502) 564-4581	Yes	State Form K-4	Kentucky Revenue Cabinet Taxpayer Assistance 200 Fair Oaks Lane Frankfort, KY 40620
Louisiana (225) 925-4611	Yes	Federal Form W-4 *	Louisiana Department of Revenue PO Box 201 Baton Rouge, LA 70821
Maine (207) 626-8475	Yes	Federal Form W-4 *	Maine Revenue Services Income/Estate Tax Division 24 State House Station Augusta, ME 04333-0024
Maryland (410) 260-7980 (Central MD) 800-638-2937 (Others)	Yes	State Form MW-507	Maryland Taxpayer Service 110 Carroll St Annapolis, MD 21411
Massachusetts (617) 887-6367	Yes	Federal Form W-4 *	Massachusetts Taxpayers Assistance 200 Arlington St Chelsea, MA 02150
Michigan 800-487-7000	No (exempts all active duty military Pay)		Michigan Department of the Treasury Treasury Building Lansing, MI 48922
Minnesota (651) 296-3781 800-652-9094	Yes	Federal Form W-4 *	Minnesota Department of Revenue Individual Income Tax Division Mail Station 5510 St. Paul, MN 55146-5510
Conditions for exemption from state tax: If member is on active service and is stationed outside the state.			

* These states use Federal W-4 annotated "For SITW Purposes Only".

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Section B TAXES

State Tax Listing, Continued

State and contact phone number	Authorized to Have SITW Withheld From Military Members	Tax Withholding Form State Requires	State Tax Office Address
Mississippi (601) 923-7089	Yes	State Form 62-420	Mississippi State Tax Commission PO Box 1033 Jackson, MS 39215-3338
Missouri (573) 751-7191 800-411-8524	Yes	State Form MO W-4	Taxpayer Services Missouri Department of Revenue PO Box 3300 Jefferson City, MO 65105
Conditions for exemption from state tax: See the rules for Connecticut.			
Montana (406) 444-6900:	Yes (exempts all active duty military pay)	Federal Form W-4 *	Montana Department of Revenue PO Box 5805 Helena, MT 59604
Conditions for exemption from state tax	If member performs active duty in the Regular Armed Forces, is legal resident of Montana, and entered into active duty from Montana. However, members serving in Reserve components should have state income taxes withheld. Active duty personnel must file a return even if qualified for an exemption.		
Nebraska 800-742-7474	Yes	Federal Form W-4 *	Nebraska Department of Revenue 301 Centennial Mall S. PO Box 94818 Lincoln, NE 68509-4818
Nevada (775) 687-4892	NO STATE INCOME TAX		
New Hampshire (603) 271-2186	NO STATE INCOME TAX		
New Jersey (609) 292-6400	Yes	Federal Form W-4 *	Division of Taxation PO Box 266 Trenton, NJ 08695-0266
Conditions for exemption from state tax: See the rules for Connecticut.			
New Mexico (505) 827-0827	Yes	Federal Form W-4 *	Taxation and Revenue Department PO Box 25122 Santa Fe, NM 87504-5122
New York 800-225-5829	Yes	Federal Form W-4 *	Correspondence Unit W.A. Harriman Campus Albany, NY 12227
Conditions for exemption from state tax: See the rules for Connecticut			
North Carolina (919) 733-2332	Yes	State Form NC-4	Department of Revenue PO Box 25000 Raleigh, NC 27640-0640
North Dakota 800-638-2901 (In state) (701) 328-3450 (Out of state)	Yes	Federal Form W-4 *	State the Tax Commissioner State Capitol 600 E Boulevard Avenue Bismarck, ND 58505-0599
Ohio 800-282-1780	Yes	State Form IT-4	Taxpayer Services Division 830 Freeway Drive N Columbus, OH 43229
Oklahoma 800-522-8165 (In state) (405) 521-3160	Yes	Federal Form W-4 *	Taxpayer Assistance Division 2501 Lincoln Boulevard Oklahoma City, OK 73194
Oregon 800-356-4222 (In state) (503) 378-4988 (All others)	Yes	Federal Form W-4 *	Revenue Building Tax Help, Room 135 955 Center Street NE Salem, OR 97310-2555
Conditions for exemption from state tax: See rules for Connecticut.			

*** These states use Federal W-4 annotated "For SITW Purposes Only".**

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Section B TAXES

State Tax Listing, Continued

State and contact phone number	Authorized to Have SITW Withheld From Military Members	Tax Withholding Form State Requires	State Tax Office Address
Pennsylvania 888-728-2937	Yes	Federal Form W-4 *	Bureau of Individual Taxes Taxpayer Inquiry Unit 5 th Floor, Strawberry Square Harrisburg, PA 17128
Conditions for exemption from state tax: See rules for Connecticut.			
Puerto Rico	Yes (If stationed outside the U.S.)	Form 499R-4.1	Director, Income Tax Division Treasury Department PO Box S-4515 San Juan, PR 00901
Note: Filing of a tax return and payment of personal income tax may be required. It is the member's responsibility to contact the state tax authority to determine tax liability.			
Rhode Island (401) 222-3911	Yes	Federal Form W-4 *	Rhode Island Division of Taxation 1 Capitol Hill Providence, RI 02908
South Carolina (803) 898-5709	Yes	Federal Form W-4 *	South Carolina Department of Revenue PO Box 125 Columbia, SC 29214
South Dakota 800-829-9188	NO STATE INCOME TAX		
Tennessee 800-342-1003 (In state) (615) 741-3506	No (exempts all active duty military pay)		Department of Revenue Jackson State Office Building 500 Deaderick St Nashville, TN 37242
Texas 800-662-4335	NO STATE INCOME TAX		
Utah 800-662-4335	Yes	Federal Form W-4 *	Utah State Tax Commission 210 N 1950 W Salt Lake City, UT 84134
Vermont (802) 828-2865	Yes	Federal Form W-4 *	Vermont Department of Taxes Taxpayer Services Division 109 State Street Montpelier, VT 05609
Conditions for exemption from state tax: If member is on active service and is stationed outside the state.			
Virginia (804) 367-8031	Yes	State Form VA-4	Customer Services Section PO Box 1115 Richmond, VA 23218-1115
Washington 800-647-7706	NO STATE INCOME TAX		
West Virginia 800-942-8297 (304) 558-3333	No		Department of Tax & Revenue Taxpayer Services Division PO Box 3784 Charleston, WV 25337-3784
Note: Filing of a tax return and payment of personal income tax may be required. It is the member's responsibility to contact the state tax authority to determine tax liability.			
Wisconsin (608) 266-2772	Yes	Federal Form W-4 *	Wisconsin Department of Revenue PO Box 8903 Madison, WI 53708
Wyoming (307) 777-5200	NO STATE INCOME TAX		

* These states use Federal W-4 annotated "For SITW Purposes Only".

Income Tax Exclusion for Duty in Combat Zone

Introduction	Certain income earned by members of the Armed Forces while in a combat zone designated by the President is not subject to withholding of federal or state income tax.
Qualified Areas for Combat Tax Exclusion	Section 8-G-2 of the Coast Guard Pay Manual designates combat zones, which qualify for federal income tax exclusion. The listing of qualified areas may be modified from time to time via ALCOAST or ALDIST messages.
Rules for Combat Tax Exclusion	<p>The following rules apply when determining income tax exclusion for duty in a combat zone.</p> <ul style="list-style-type: none">• A member who is present on official duty in a combat zone, no matter how brief, qualifies for combat tax exclusion for that month.• When the airspace over a combat zone is included as part of the zone, members who pass over or through the combat zone during the course of a trip between two points, both of which lie outside the zone, are entitled to an exclusion. However, this exclusion is valid only if the members are assigned to the airspace of the combat zone on official temporary duty, or if the members qualify for hostile fire/imminent danger pay as a result of the flight.• Members performing military duties in areas outside a designated combat zone in support of military operations in a combat zone, who qualify for imminent danger pay, also qualify for combat tax exclusion.

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Income Tax Exclusion For Duty In Combat Zone, Continued

Amount of Combat Tax Exclusion

For enlisted members and warrant officers, all taxable military pay items earned by a member during a month while serving in a combat zone are excluded from federal and state taxation.

For officers O-1 and above, the first \$5,382.90 per month of taxable military pay items are excluded from federal taxation.

Note 1: The \$5,382.90 figure increases annually to match the current base pay rate for and E-10

Note 2: Imminent danger pay (if entitled) is not included in the \$5,382.90 ceiling.

Members entitled to combat tax exclusion will not have any Federal/State income tax withheld from the exempted amount of their pay. Voluntary withholding of this amount is not permitted.

Extension of filing date for tax returns

Members serving in a combat zone are allowed an extension of up to 180 days to file their federal income tax return.

The due date for filing state tax returns is regulated by each state. Members serving in a combat zone should contact their state tax office regarding the postponement of filing state tax returns

Procedures

Notify the servicing PERSRU, via letter or message, when a member qualifies for or loses entitlement to combat tax exclusion. When starting combat tax exclusion, include a statement indicating the member is entitled on either a:

- Continuous basis (tax exclusion will continue until submission of a subsequent stop transaction) or on a,
- One time basis (tax exclusion for a single month only).

Notification of eligibility for combat tax exclusion may be included with a notification of eligibility for Hostile Fire (Imminent Danger) Pay (HFPAY), if the member becomes qualified for HFPAY at the same time. See page 7-A-7 of this manual for the procedures for reporting entitlement to HFPAY.

Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form

Mailing of IRS Form W-2

IRS Form W-2s are mailed no later than 31 January of each year. To allow for reasonable mailing and forwarding due to address changes, reporting of lost or missing W-2 forms should be after 15 February.

Ensuring Tax Mailing Address is correct

To furnish the member with a timely IRS Form W-2, the member should:

- Continuously keep his/her home mailing address up to date in CGHRMS.
- Notify Post Office if late December, so W-2 can be forwarded.
- Ensure all addresses comply with prescribed postal address standards.

Note: Information about mailing addresses:

- To comply with Postal regulations and to receive mailing discounts, addresses contained in PMIS/JUMPS are run through a monthly postal standard address conversion program.
- The postal database does not recognize that numerous Coast Guard units may reside at a given address. For instance, in Portsmouth, there are several units located at 4000 Coast Guard Blvd. For single members living in barracks or shipboard berthing, the unit's name may be part of the address.
- To ensure proper delivery, the unit's name must be entered at the BEGINNING of the street information on the Tax Mailing Address transaction and the accurate 9-digit zip code must also be entered.
- If the unit's name is at the end of the street information or as part of the city/town information or the 9-digit zip code was not entered, the unit's name will be deleted by the monthly postal address conversion program.

Example of Good Address: ISC (BEQ) 4000 CG Blvd
Portsmouth, VA 23703-2199

Example of Bad Address: 4000 CG Blvd ISC (BEQ)
Portsmouth, VA 23703-2199

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Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form, Continued

For members entering the Coast Guard late in the calendar year

If transactions to access a member into PMIS/JUMPS do not properly process until after the PMIS/JUMPS end month compute December polling cutoff, the member will not receive a W-2 for the year mbr entered the Coast Guard.

For example: A member enlists on 16 December 1997, but was not paid by PMIS/JUMPS until 15 January 1998. The member will not receive a W-2 for 1997. The taxable wages earned by the member during calendar year 1997 will be reported on the member's 1998 IRS Form W-2 (as per IRS regulations).

Taxable wages are reported when paid vice when earned

For example, an E-5 serves aboard a Career Sea Pay eligible vessel from 12 to 16 December 1997, but the member does not receive payment for the Career Sea Pay earned in 1997 until 15 January 1998. Per IRS regulations, the taxable income is reported on the IRS Form W-2 for 1998.

General information regarding the IRS Form W-2

General information regarding each block on the IRS Form W-2 can be found on the reverse of "Copy C for Employee's Records". Below is information concerning blocks 13.Q, 13.T, and 15 of the IRS Form W-2:

Block	Information about the block
13.Q	<p>Earned Income Credit (EIC): Pay earned in a combat zone, Basic Allowance for Housing Type II, the value of in-kind quarters and subsistence are all earned income that is not taxed but must be reported as EIC. These amounts are listed in Block 13 under code "Q". Basic guidelines for how to calculate the EIC is as follows:</p> <ul style="list-style-type: none">• <u>EIC contains a subsistence amount equal to enlisted Separate Rations (SEPRATS)</u> regardless of the subsistence entitlement received during the year or whether the member is an officer or enlisted. For example, an enlisted member stationed aboard a cutter with an established dining facility does not receive SEPRATS. However, the value of in-kind subsistence contained in Block 13Q will contain an amount equal to the daily rate of SEPRATS. For 1997, an enlisted member stationed aboard a cutter for the entire year will receive subsistence in the amount of \$7.36 a day (365 X \$7.36 = \$2,686.40).

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Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form, Continued

**General
information
regarding the
IRS Form W-2,
Continued**

Below is information concerning blocks 13.Q, 13.T, and 15 of the IRS Form W-2, continued:

Block	Information about the block
13.Q, cont	<ul style="list-style-type: none">• EIC contains a BAH amount and is more complicated than the subsistence calculation. EIC reflects BAH Type II with dependents for the periods the member received:<ol style="list-style-type: none">(1) BAH with dependents;(2) Assigned to family type quarters;(3) BAH Type II without dependents and BAH Diff simultaneously and;(4) Assigned to single quarters while receiving BAH Diff, i.e., receiving BAH Diff while assigned to Unaccompanied Leased Housing;(5) BAH Diff.EIC reflects BAH Type II without dependents for the periods the member received:<ol style="list-style-type: none">(1) BAH Partial only (no BAH Diff);(2) BAH Type II without dependents (no BAH Diff);(3) Assigned to single quarters and not receiving BAH Diff (i.e., has no dependents and is assigned to Unaccompanied Leased Housing).• Combat tax exclusion. For enlisted and warrant officers, all taxable military pay items earned by a member during a month while serving in a combat zone are excluded from federal and state taxation. As a result, these amounts are included in EIC. For officers, only the amount taxable of military pay (which is equal to the current base pay rate for an E-10) is included. <p>Note: IRS Publication 3, Armed Forces' Tax Guide and Publication 596, Earned Income Credit, provide information pertaining to and guidance on how to apply for EIC.</p>
13.T	Adoption Assistance Benefits. Qualified adoption expenses paid by the Coast Guard are not subject to federal income tax withholding.

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Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form, Continued

General information regarding the IRS Form W-2, Continued

Below is information concerning blocks 13.Q, 13.T, and 15 of the IRS Form W-2, continued:

Block	Information about the block
15	<ul style="list-style-type: none">• For active duty members, IRS regulations require the “Pension Plan” block be checked.• For reserve members, the “Pension Plan” block will only be checked if the member served on active duty, other than for training, for more than 90 days. If the cumulative active service during the calendar year was less than 91 days, the “Pension Plan” block will not be checked on the reserve member’s IRS Form W-2.

How to request a duplicate IRS Form W-2

To receive a duplicate W-2 form for the previous year, the member must:

Step	Action	
1	Review address on December LES (Block #22).	
	If	Then
	correct	the unit submits a request (E-mail, FAX, letter, etc.) to HRSIC (SES) after 15 February indicating: <ul style="list-style-type: none">• lost, destroyed or did not receive.• member’s name, and SSN.
	incorrect	<ul style="list-style-type: none">• contact prior unit/residence and request the W-2 form be forwarded.• contact PERSRU to update current mailing address.
2	If after 15 February the W-2 has not been located or is lost; the member’s unit or PERSRU submits request (E-mail, FAX, letter, etc..) to HRSIC (SES) including: <ul style="list-style-type: none">• member’s name and SSN.• mailing address for duplicate W-2.• reason why block #22 was not updated with current address and action taken to update address or• if W-2 was lost or destroyed indicate “lost”.	
3	Upon receipt of request, HRSIC (SES) will reissue W-2 within 14 days.	

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Information About the W-2 Form and How to Request a Duplicate or Corrected W-2 Form, Continued

How to request a corrected IRS Form W-2 Follow the procedures below when questioning a figure reported on the IRS Form W-2:

Stage	Who does it	What happens
1	MEMBER	Notifies unit admin office with the following: <ul style="list-style-type: none">• Item on W-2 suspected to be in error• What the member thinks is the right amount and why• calculations
2	UNIT	<ul style="list-style-type: none">• Review member's calculations and supporting documentation, i.e., LES• If the EIC amount is in dispute, first determine if the member would even qualify for EIC. There is no value added in recalculating EIC, if the member earns too much money and would not qualify for EIC.
3	PERSRU	<ul style="list-style-type: none">• Verify calculations provided by member/unit• Notify HRSIC (SES) via E-mail and provide calculations. An example is: E-mail example: Suspect EIC reported in Box 13.Q of (RANK/NAME/SSN) IRS Form W-2 for tax year XXXX is incorrect. We calculate the EIC to be \$7,556.08 based on the following: \$2,686.40 (\$7.36 per day for subsistence (1997 rate)) \$4,515.20 (BAH Type II with, E4, from 97Jan29 to 97Dec31 @ \$408.00 month) <u>\$ 354.48</u> (BAH Type II with, E3, from 97Jan01 to 97Jan28 @ \$379.80 month) \$7,556.08

Request for Federal or State Tax Adjustments

Request for Federal or State Tax Adjustments

It is the member's responsibility to ensure that his/her federal or state tax information is kept current and up-to-date. If through administrative error (i.e., PERSRU received a tax adjustment request from the member, but failed to act on member's request), a retroactive adjustment may be requested. If there is no administrative error, a retroactive adjustment will not be made.

Example: The state of California permits the member to be exempt from state taxation while on active duty and stationed outside the state. If a member who is stationed in California and is a legal resident of California, transfers PCS to Florida, the member is responsible for ensuring he/she is exempt from state withholding. If the member does not initiate action to change his/her state tax until several months later, the member will not receive the SITW previously withheld. The member will have to collect any overpaid state taxes from the state of California.

If an adjustment needs to be made to the member's FITW or SITW then the member must:

If the member is	Then
Active Duty, Reserve, or NOAA	A request (i.e., RDLTR, E-mail) for an adjustment must be submitted via the servicing PERSRU, with supporting documentation (i.e., DD Form 2058), to HRSIC (SES). Note: The request must be received at HRSIC prior to 10 December of the current tax year. Per IRS regulations, requests for refunds of FITW or SITW for a <u>prior tax year</u> will not be processed. For a prior tax year, the member will have to collect any overpaid FITW or SITW from the IRS or the state.
Retired (or their annuitants)	A request must be submitted to HRSIC (RAS). Note: The request must be received at HRSIC prior to 10 November of the current tax year. Per IRS regulations, requests for refunds of FITW for a prior tax year will not be processed. For a prior tax year, the member will have to collect any overpaid FITW from the IRS.

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Request for Federal or State Tax Adjustments, Continued

IRS Form W-2c

A statement of Corrected Income and Tax Amounts (IRS Form W-2c) is prepared by HRSIC (SES) in cases where it becomes necessary to report corrected tax information. HRSIC (SES) will issue a IRS Form W-2c when the member was qualified for Combat Tax Exclusion for duty in a combat zone.

For example: A member was eligible for Combat Tax Exclusion for the month of October 1997. On 15 February 1998, the member receives the W-2 and becomes aware that the appropriate transactions were not submitted by the PERSRU for tax exclusion. After the appropriate transactions are submitted by the PERSRU through PMIS/JUMPS, HRSIC (SES) will issue the member an IRS Form W-2c to adjust the member's taxable wages and Earned Income Credit (EIC) (blocks 1 and 13C).

Note: Per IRS regulations, since the tax year has ended, HRSIC cannot refund the FITW or SITW that was withheld in October 1997. Since the year has ended and all withholdings have been reported and paid to the IRS and/or applicable state, the member will collect any overpaid FITW or SITW when he/she files a return or an amended return.

For the purpose of making adjustments for prior period W-2s, all tax returns are considered to be filed on 15 April of the year after the close of the tax year, and any adjustments to a W-2 may only be made within 3 years of that date.

Section Overview

Introduction This section will guide you through the guidelines, rules, and procedures for the Thrift Savings Plan.

In this section

Topic	See Page
Thrift Savings Plan (TSP)	8-C-2

Thrift Savings Plan (TSP)

Introduction

TSP is a retirement savings and investment plan that offers a member the same type of savings and tax benefits that many private corporations offer their employees under so-called “401(k) plans.” TSP contributions are deducted from a members pay before taxes are computed, so the member pays less tax now. In addition, TSP earnings are tax-deferred. This means the member does not pay federal income taxes on their contributions or earnings until the money is withdrawn.

Participation in TSP is optional and not automatic. All active duty and selected reserve members of the Coast Guard are eligible to join TSP. Coast Guard Academy cadets and non-prior service CG Naval Academy Preparatory School (NAPS) cadets are not eligible to participate in TSP until they are commissioned or reverted to enlisted status.

Reference

- CG Pay Manual, Section 6-G, Uniformed Thrift Savings Plan
- TSP’s Web site at www.tsp.gov

Pay that can be contributed to TSP

The only pays/entitlements that can be contributed to TSP are:

Base Pay

Special Pay

Physician’s Assistant Board Certification Pay
Diving Duty Pay (Dive Pay)
Hardship Duty Pay for Location (HDP-L)
Career Sea Pay (CSP & CSP-Premium)
Responsibility Pay
Special Duty Assignment Pay (SDAP)
Hostile Fire or Imminent Danger (HFD/IDP)

Incentive Pay

Aviation Career Incentive Pay (ACIP)
Hazardous Duty Incentive Pay (HDIP), including
Crew Member Flight Pay, Noncrew Flight Pay, and Flight
Deck Hazardous Duty Incentive Pay

Bonuses

Aviation Career Continuation Pay (ACCP)
15-Year Career Status Bonus (CSB/REDUX Bonus)
Enlistment Bonus
Selective Reenlistment Bonus
Reserve Enlistment, Reenlistment, and Affiliation Bonuses

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Thrift Savings Plan (TSP), Continued

TSP Contribution Limits and Rules

Basic Pay: A member must contribute a minimum of one percent per pay period (month) into TSP to start an account. The maximum amount a member can contribute from basic pay each year is listed below:

Year	Percent
2002	7%
2003	8%
2004	9%
2005	10%
2006 and after	Unlimited

A member is required to contribute from Basic Pay in order to contribute any special, incentive, or bonus pay into TSP. The minimum special, incentive, or bonus contribution is one percent and the maximum is 100 percent.

Amounts contributed to TSP from basic pay, special pay, incentive pay, and bonus pay are limited by the following IRS contribution limits:

Year	Elective Deferral Amount
2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006	\$15,000

HRSIC tracks a member's contributions and will stop sending funds to the National Finance Center (NFC) once the contributions reach the IRS limit.

TSP Investment Funds

Members have five investment options:

- Government securities investment (G) fund
- Fixed income index investment (F) fund
- Common stock index investment (C) fund
- U.S. small-capitalization stock index investment (S) fund
- International stock index investment (I) fund

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Thrift Savings Plan (TSP), Continued

Enrollment Periods

Members who join the uniformed service after 9 October 2001 may participate in TSP within 60 days of joining the uniformed services, without waiting for an open season.

A service member who converts from Ready Reserve status to active duty status, or who converts from active duty to Ready Reserve status, may make a TSP contribution election within 60 days after the effective date of the conversion.

Members not joining the program during the initial 60-day period, or within 60 days of enlistment/appointment, will have two “open seasons” per year to enroll thereafter. The two “open seasons” are 15 May through 31 July and 15 November through 31 January.

Procedures for Enrolling

If a member wants to enroll in TSP, Form TSP-U-1 must be filled out. This form can be obtained from the website www.tsp.gov.

Note: Members should not fill out the *TSP-1 election form*. This is the civilian TSP election form and is not to be used by military members.

Step	Who does it	Action
1	Member	<p>Member will fill out Form TSP-U-1 and either fax the form to HRSIC (MAS-TSP) at (785) 339-3760, or mail it to the following address:</p> <p style="text-align: center;">Commanding Officer U.S. Coast Guard HRSIC (MAS-TSP) 444 SE Quincy St. Topeka, KS 66683-3591</p> <p>It is recommended that the member fax the form because it is a quicker means of getting it to HRSIC for processing. If a member has questions about how to complete the form, the member can contact the HRSIC help desk at 785-339-3540, option 2.</p> <p>The member should keep a copy of the Form TSP-U-1 for his/her records.</p>

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Section C
THRIFT SAVINGS PLAN

Thrift Savings Plan (TSP), Continued

Procedures for Enrolling Section on procedures for enrolling is continued.

Step	Who does it	Action
2	HRSIC (MAS-TSP)	Upon receipt of the form, will enter the form in CGHRMS so that it can be processed in member's pay account in JUMPS. Once this processes in JUMPS, the member will receive a LES Remark reading: "Your TSP Election of ___% Base Pay, ___% Special Pay, ___% Incentive Pay and ___% Bonus begins _____." Note: If a member sees a TSP error on his/her LES, or on IRS Form W-2, the member should contact the HRSIC help desk at (785)-339-3540.
3	NFC	Opens the member's TSP account, initially puts the member's contributions into the "G" fund, and sends the member a letter containing account information and TSP personal identification number (PIN). The PIN allows members to access their account balance and execute transactions on the TSP Thriftline and the TSP web site.
4	Member	After receipt of the PIN, the member specifies how he/she wants their TSP contributions to be invested among the five TSP funds. The member can do this by: <ul style="list-style-type: none">• Using the tsp web site at www.tsp.gov• Calling the Thriftline's automated telephone service, at (504) 255-8777. Thriftline is an automated voice response system available 24 hours a day, 7 days a week.• Submitting a form TSP-U-50 to the TSP service office, National Finance Center, P.O. Box 61500, New Orleans, LA 70161-1500.

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Thrift Savings Plan (TSP), Continued

Changing TSP Contributions

A member may change the amount of basic pay, incentive pay, or special pay he/she is investing in TSP only during an open season. However, a member may change the amount of bonus pay going into TSP at any time. Members may make changes to TSP by submitting Form TSP-U-1 to HRSIC (MAS-TSP) as detailed in the previous section.

Interfund Transfers

A member may change the way money already invested in a TSP account is invested by requesting an interfund transfer, by one of the following means:

- Using the TSP web site www.tsp.gov.
 - Calling the Thriftline's automated telephone service at (504) 255-8777.
 - Submitting Form TSP-U-50 to the TSP Service Office, National Finance Center, P.O. Box 61500, New Orleans, LA 70161-1500.
-

Stopping TSP Contributions

A member may stop any or all of their contributions to TSP at any time by sending a completed TSP-U-1 form to HRSIC (MAS-TSP).

Note: When a member stops basic pay contributions, all other bonus, special or incentive pay contributions are automatically stopped. Stopping special, incentive, or bonus pay contributions does not stop basic pay contributions. If a member stops contributing outside of an open season, the member must wait until the second open season to reenroll in the TSP. If they stop their contributions during an open season, they may reenroll in the TSP during the next open season.

Separation from the service

When separating from the service, the member may:

- Receive a single lump sum payment.
 - Transfer all or a portion to an eligible retirement account or plan (IRA).
 - Request a series of monthly payments.
 - Request a TSP annuity.
 - Leave the money in the TSP account where it will continue to accrue earnings (until no later than 1 April following the year the member turns age 70 ½).
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Section C
THRIFT SAVINGS PLAN

Thrift Savings Plan (TSP), Continued

TSP Loan Program	A member is eligible to obtain a TSP loan while they have a TSP account and are in a pay status. Details are available at www.tsp.gov
Matching Contributions	At the present time, the Coast Guard does not make matching contributions to military TSP accounts.
Account Questions	Members should direct any questions about their TSP account to the National Finance Center, New Orleans, LA
